Flexible Retirement Account
Investment brochure

Helping you to understand your investment choices

AVIVA
This brochure explains how the investment solution works and gives you information about the other investment choices that you have.

The Flexible Retirement Account is designed to give you control and flexibility over your pension investments. You can usually take your benefits from the age of 55. Its value is not guaranteed and can go down as well as up. You could get back less than the amount paid in.

This brochure was produced in June 2020.

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### Important documents

It is important that you read this brochure along with the notice sent to you and the following documents:

- Key features document and illustration
- Terms and conditions
- Fees and charges brochure
An investment programme manages your investments throughout your pension journey. As you approach retirement it moves your investments in preparation for taking your pension benefits. Your default solution is an investment programme. Starting on page 9 we show the additional investment programmes you can choose from.

An investment programme breaks your pension journey into two phases:

- **Growth phase** - When you are a long way from retirement, your money is invested in funds that aim to grow the value of your pension savings over time.

- **Pre-retirement phase** - In the years approaching retirement, the level of risk to which your money is exposed is gradually reduced, in preparation for taking your pension benefits. The length of the pre-retirement phase is determined by the investment programme.

An investment programme will end at your investment programme end date. This will be the target date used to determine the mix of investments in your fund. It can be any date, up to and including your selected retirement date. You can change both at any time. If you continue to make contributions after your investment programme ends (for example, if you choose to take your pension benefits as income drawdown), these will be invested in the proportions shown in the ‘End’ column of the investment programme charts shown within this document.

Lifetime investment programmes are designed to do everything for you. A Lifetime investment programme begins when you join it and manages your investments throughout your pension journey.

Your contributions are invested in the funds which make up the investment programme. These funds are fixed for the life of your plan and cannot be changed.

You are unable to invest in other funds while you are invested in this solution. If you wish to choose your own investments, you must leave the investment programme.

If you leave a Lifetime investment programme, you must let us know how you would like future contributions to be invested.

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**Your pension journey**

This diagram shows how investment programmes manage your pension journey, from joining your pension scheme to your investment programme end date.
A default investment solution has been created for your employer’s pension scheme, into which contributions will be invested. This means you don’t have to make your own investment decision.

This solution has been chosen by your employer after taking professional advice. However, there are no guarantees that this solution is the most suitable for your own personal circumstances. If you would like to make your own investment choice, please read this guide or log in to your online account at www.avivamymoney.co.uk.

The objective of the Flexible Retirement strategy is to provide investors with flexibility in how they access their pension benefits at retirement. It seeks to achieve capital growth over the long-term by initially investing in higher risk assets such as shares in companies with the aim of delivering a higher level of growth. Starting 15 years from retirement the strategy gradually moves into a multi-asset fund to reduce the level of risk and increase diversification while still providing the potential for growth. The strategy also moves into corporate and government bonds to further reduce risk which does lower the growth potential but provides an element of inflation protection through the government bonds.

The strategy is designed to prepare your pension pot for flexible access at your chosen retirement age, including:
- Taking your money as and when you need it, either as cash sums or as flexible income (known as drawdown)
- Withdrawing all the money in your pension pot
- Buying an income for your lifetime (known as an annuity)
- Leaving your money where it is and making your choices later

Your contributions will be invested in the funds which make up the Flexible Retirement (DIO). This programme has been designed to manage your pension investments for the life of your account.
The following chart shows how the programme invests your money in specific investment funds. The movements take place on a monthly basis as you approach your retirement date.

The amount of money invested in each of these funds, shown below, will vary slightly depending on the conditions in the financial market at that time. All movements of funds are managed by the programme at no extra cost.

As your investments are moved into different funds within the programme, your total annual management charge (total AMC) may change.

You are unable to invest in other funds while you are invested in this solution.

If you wish to leave the programme at any time, you must let us know how you wish to invest future contributions.

Please be aware there is no guarantee that this programme will benefit the value of your account when you come to retire. The value of an investment is not guaranteed and can go down as well as up. You could get back less than the amount paid in.

This investment programme may be subject to changes to the funds included in the programme or to the timings of the fund movements and their frequency, in accordance with the terms of your account. Details about each fund in the investment solution are shown on page 7.

Flexible Retirement (DIO) Lifetime investment programme

* Your investment programme end date will be the target date used to determine the mix of investments in your fund. It can be any date, up to and including your selected retirement date.
Investment programme considerations

Potential benefits
- The investment programme offers an alternative to having to change your investment funds independently as you head towards retirement.
- During the period leading up to your retirement, your pension fund is moved from investments with a greater exposure to the stock market into more cautious investments, namely fixed interest investments. This aims to reduce your exposure to risk from stock market fluctuations.
- Your investment programme can be amended if you choose to take your benefits earlier or later than planned.
- You can choose to leave the investment programme at any time.

Things to consider
- There is no guarantee that the investment programme will prove beneficial to your pension fund.
- The value of your investments, even in lower risk funds, can fall as well as rise and the value of your pension fund is not guaranteed.
- As movements between investments happen automatically on set dates, they may not occur at times that would give you the best returns.
- Taking your retirement benefits earlier or later than planned may have an impact on your investment programme, and may mean that it is no longer suitable for your individual circumstances.

Charges

Scheme annual management charge
The scheme annual management charge (scheme AMC) is the amount Aviva will charge you for investing in the scheme. The scheme AMC covers fund management and administration costs involved in running your account. The scheme AMC is calculated daily, based on the value of your investments in each fund.

Fund annual management charge
The fund AMC is charged by fund managers for managing a fund. It is normally calculated as a percentage of the fund’s value and deducted from the daily fund unit price.

Total annual management charge
The total AMC is made up of the scheme AMC and the fund AMC. It will depend on which fund or funds you invest in. It is taken from each fund, over the lifetime of your account.

Additional expenses
There are additional expenses associated with some funds, and these are reflected in the unit price. The additional expenses reflect the cost of managing the assets and include fees to auditors, trustees and valuers.
For full details on charges please see the Flexible Retirement Account Fees and charges brochure.
The funds you're invested in

The table below shows the funds which make up the investment solution. It shows the fund aims, risk ratings, risk warnings, fund type, total annual management charge (total AMC) and additional expenses. More information on charges is available in the Fees and charges brochure.

For more information on risk warnings and risk ratings, please see pages 15 to 17 and for more information on fund types, please see page 19.

<table>
<thead>
<tr>
<th>Risk rating</th>
<th>Fund name</th>
<th>Fund aim</th>
<th>Fund type</th>
<th>Total AMC</th>
<th>Additional expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 Highest volatility</td>
<td>Aviva Pension MyM BlackRock Emerging Markets Equity (Aquila C)</td>
<td>BlackRock state that the fund’s objective is to achieve a return that is consistent with the return of the MSCI Emerging Markets Index. Risk warnings A, B, C, D, J</td>
<td>Index fund</td>
<td>0.35%</td>
<td>0.06%</td>
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<tr>
<td>6 High volatility</td>
<td>Aviva Pension MyM BlackRock MSCI World Index</td>
<td>Aims to achieve index returns in line with the MSCI World Index in GBP. Risk warnings A, B, J,</td>
<td>Index fund</td>
<td>0.17%</td>
<td>0.01%</td>
</tr>
<tr>
<td>6 High volatility</td>
<td>Aviva Pension MyM Legal &amp; General (PMC) Global Real Estate Equity Index</td>
<td>LGIM state that the objective of the fund is to hold a portfolio designed to match the return of the FTSE EPRA/NAREIT Global Developed Real Estate Index. The underlying fund may invest directly in ordinary shares that are the constituents of the index or indirectly via other units of other passively managed LGIM funds. Risk warnings A, B, C, D, E, H, J</td>
<td>Index fund</td>
<td>0.58%</td>
<td>0.00%</td>
</tr>
<tr>
<td>6 High volatility</td>
<td>Aviva Pension MyM LGIM Infrastructure Index</td>
<td>The objective of the fund is to track the performance of the FTSE Developed Core Infrastructure Index (less withholding tax if applicable) to within +/-1.0% p.a. for two years out of three. It invests either directly in the securities of that index, or indirectly through other LGIM funds. The fund may use derivatives for the purpose of efficient portfolio management or risk reduction. Risk warnings A, B, J</td>
<td>Index fund</td>
<td>0.52%</td>
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<td>5 Medium to high volatility</td>
<td>Aviva Pension MyM BlackRock Over 5 Year Index-Linked Gilt Index Tracker</td>
<td>BlackRock state that the fund invests in UK Government index-linked fixed income securities that have a maturity period of 5 years or longer. The fund aims to achieve a return consistent with the FTSE UK Index-Linked Gilts Over 5 Years Index, which is widely regarded as the benchmark for UK pension fund investment in the longer dated end of the UK index-linked gilt market. Risk warnings A, E</td>
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</tbody>
</table>
| 4 Medium volatility | Aviva Pension MyM BlackRock (Aquila C) Market Advantage | BlackRock state that the fund aims to follow a diversified, risk-controlled investment process to achieve returns on par with a global 60% equity/40% bond portfolio over a market cycle, approximately 40% less risk than the 60/40 comparator and less downside exposure during extreme market conditions. The fund invests in a highly diversified mix of asset classes based on target exposures to fundamental economic risk factors. By managing exposure during market extremes, the fund seeks to deliver long-term returns in line with its target while reducing downside risk. The fund may invest in derivatives for investment purposes and/or efficient portfolio management. 
**Risk warnings** A, B, C, D, E, F, J | Actively managed fund | 0.42% | 0.03% |
| 4 Medium volatility | Aviva Pension MyM Schroder Dynamic Multi Asset | Aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 4% (after fees have been deducted) over a five to seven year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and could change according to prevailing market conditions. Your capital is at risk. Derivatives may be used for investment purposes. 
**Risk warnings** A, B, C, E, F, I | Actively managed fund | 0.42% | 0.05% |
| 3 Low to medium volatility | Aviva Pension MyM BlackRock Corporate Bond All Stocks Index Tracker | BlackRock state that the fund invests in investment grade corporate bonds denominated in Sterling. The fund aims to achieve a return consistent with the Markit iBoxx £ Non-Gilts Index. This index covers the broad spectrum of investment grade corporate bonds in issue. 
**Risk warnings** A, E | Index fund | 0.17% | 0.00% |

Please note the details of each fund may change over time. For up-to-date details, you can view the fund factsheets through your online account.
Details of the default investment solution are available on pages 4 to 5. The following investment programmes are also available to you.

The following charts show how each programme aims to invest your money as you approach your investment programme end date (IPED). All movements of funds are managed by each programme at no extra cost.

These investment programmes may be subject to changes in the funds included in each programme or to the timings of the fund movements and their frequency, in accordance with the terms of your plan.

As your investments are moved to different funds within a programme, your AMC may change. Please be aware there is no guarantee that these programmes will benefit your retirement savings. The value of an investment is not guaranteed and can go down as well as up. You could get back less than the amount paid in.

The investment programme names are to enable you to identify easily which programmes you are invested in. They are not an indicator of future performance or investment return and should not be used as a basis for your decision to invest.

If you are unsure about which is the best options for you, we suggest you speak to a financial adviser.
**Bespoke options**

The following programmes have been designed by the employer’s financial adviser, having taken professional advice.

### Annuity Purchase Lifetime investment programme

*Your investment programme end date will be the target date used to determine the mix of investments in your fund. It can be any date, up to and including your selected retirement date.*

**Funds in programme**

- Aviva Pension MyM BlackRock Emerging Markets Equity (Aquila C) Fund
- Aviva Pension MyM BlackRock MSCI World Index Fund
- Aviva Pension MyM Legal & General (PMC) Global Real Estate Equity Index Fund
- Aviva Pension MyM LGIM Infrastructure Index Fund
- Aviva Pension MyM Schroder Dynamic Multi Asset Fund
- Aviva Pension MyM BlackRock (Aquila C) Market Advantage Fund
- Aviva Pension MyM BlackRock Corporate Bond All Stocks Index Tracker Fund
- Aviva Pension MyM BlackRock Over 5 Year Index-Linked Gilt Index Tracker Fund
- Aviva Pension MyM BlackRock Sterling Liquidity Fund

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Full Encashment Lifetime investment programme

Funds in programme

- Aviva Pension MyM BlackRock Emerging Markets Equity (Aquila C) Fund
- Aviva Pension MyM BlackRock MSCI World Index Fund
- Aviva Pension MyM Legal & General (PMC) Global Real Estate Equity Index Fund
- Aviva Pension MyM LGIM Infrastructure Index Fund
- Aviva Pension MyM Schroder Dynamic Multi Asset Fund
- Aviva Pension MyM BlackRock (Aquila C) Market Advantage Fund
- Aviva Pension MyM BlackRock Corporate Bond All Stocks Index Tracker Fund
- Aviva Pension MyM BlackRock Over 5 Year Index-Linked Gilt Index Tracker Fund
- Aviva Pension MyM BlackRock Sterling Liquidity Fund

* Your investment programme end date will be the target date used to determine the mix of investments in your fund. It can be any date, up to and including your selected retirement date.
The table below shows all of the funds used in the investment programmes on the previous pages. It includes each fund’s aim, risk rating, risk warnings, fund type, total AMC and additional expense. For more information about risk warnings and risk ratings please see pages 15 to 17 and for more information on fund types, please see page 19.

### Funds

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<tr>
<th>Risk rating</th>
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<td><strong>4</strong> Medium volatility</td>
<td><strong>Aviva Pension MyM BlackRock (Aquila C) Market Advantage</strong></td>
<td>BlackRock state that the fund aims to follow a diversified, risk-controlled investment process to achieve returns on par with a global 60% equity/40% bond portfolio over a market cycle, approximately 40% less risk than the 60/40 comparator and less downside exposure during extreme market conditions. The fund invests in a highly diversified mix of asset classes based on target exposures to fundamental economic risk factors. By managing exposure during market extremes, the fund seeks to deliver long-term returns in line with its target while reducing downside risk. The fund may invest in derivatives for investment purposes and/or efficient portfolio management. <strong>Risk warnings</strong> A, B, C, D, E, F, J</td>
<td>Actively managed fund</td>
<td>0.42%</td>
<td>0.03%</td>
</tr>
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<td><strong>4</strong> Medium volatility</td>
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<td>Aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 4% (after fees have been deducted) over a five to seven year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and could change according to prevailing market conditions. Your capital is at risk. Derivatives may be used for investment purposes. <strong>Risk warnings</strong> A, B, C, E, F, I</td>
<td>Actively managed fund</td>
<td>0.42%</td>
<td>0.05%</td>
</tr>
<tr>
<td><strong>3</strong> Low to medium volatility</td>
<td><strong>Aviva Pension MyM BlackRock Corporate Bond All Stocks Index Tracker</strong></td>
<td>BlackRock state that the fund invests in investment grade corporate bonds denominated in Sterling. The fund aims to achieve a return consistent with the Markit iBoxx £ Non-Gilts Index. This index covers the broad spectrum of investment grade corporate bonds in issue. <strong>Risk warnings</strong> A, E</td>
<td>Index fund</td>
<td>0.17%</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>1</strong> Lowest volatility</td>
<td><strong>Aviva Pension MyM BlackRock Sterling Liquidity</strong></td>
<td>BlackRock state that the fund aims to maximise the income generated on investment consistent with maintaining capital and ensuring its underlying assets can easily be bought or sold in the market in normal market conditions. It will do this by maintaining a portfolio of high quality short term money market instruments. The fund invests in a broad range of fixed income securities and money market instruments. It may also invest in deposits with credit institutions. <strong>Risk warnings</strong> A, E, G</td>
<td>Actively managed fund</td>
<td>0.17%</td>
<td>0.00%</td>
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For more information on charges that may apply to your account, please see the Flexible Retirement Account Fees and charges brochure.
What is your attitude to investment risk?

It’s important to establish your attitude to investment risk before you start investing to ensure that the investment solution or any investments you choose are right for you. As far as investing is concerned, risk tends to be associated with potentially higher volatility: meaning the higher the risk levels, the more likely the value of a fund may go up and down from day to day. To help you understand which funds are right for you, Aviva assigns risk ratings and risk warnings to each fund in the Select fund range. Details of these can be found on the following pages.

Deciding your own approach

The amount of risk you are prepared to take with your investments will depend very much on your own personal circumstances and how you feel about investing your money. For instance, if you only have a short period of time until you retire (for example, less than five years), it may not be appropriate to invest in funds that are classed as higher risk as these are more volatile. This is because the value of your investments may fall and you may not have time to make up any losses.

As well as your attitude to risk, you should also consider the types of assets a fund invests in. These are explained on page 18.

Please remember that there are no guarantees with investing in any investment fund. Some funds may have particular risks associated with investing in them. We explain these risks on the following pages.

You can use a link from your online account to our Risk Profiler tool to help understand your attitude to investment risk.

You may wish to speak to your employer to check whether there is an advice service available to you or you may wish to contact your own financial adviser. If you don’t have a financial adviser you can find one at www.unbiased.co.uk. You may be charged for this advice.
Helping you to understand risk

The Aviva Investment Governance team allocates risk ratings and warnings for all funds included in the Select fund range available to you with your Flexible Retirement Account. Please note that not all of the risk warnings listed on the following pages apply to each fund and there is no direct relationship between the number of risk warnings and the risk ratings shown below.

Risk ratings

Aviva calculates its risk ratings for these funds using historical performance data, based upon the methods set by European Union rules. We also carry out further research using information from the fund’s investment manager(s). We review each fund’s risk rating annually and these may change over time. The timing of your investment decisions is very important and you should consult a financial adviser. Past performance is not a guarantee of future performance.

Our risk ratings go from 1 to 7, with 1 being the lowest and 7 the highest. As a point of reference, a fund with a risk rating of 4 (medium volatility) would typically experience the volatility you would expect from a fund invested in a range of different investments (for example shares, property and bonds) without any bias to a particular investment type. Remember that all investment funds carry some element of risk but this varies from fund to fund.

<table>
<thead>
<tr>
<th>Risk rating</th>
<th>Risk rating description</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td><strong>Highest volatility</strong></td>
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<tr>
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<td><strong>High volatility</strong></td>
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<td>5</td>
<td><strong>Medium to high volatility</strong></td>
</tr>
<tr>
<td>4</td>
<td><strong>Medium volatility</strong></td>
</tr>
<tr>
<td>3</td>
<td><strong>Low to medium volatility</strong></td>
</tr>
<tr>
<td>2</td>
<td><strong>Low volatility</strong></td>
</tr>
<tr>
<td>1</td>
<td><strong>Lowest volatility</strong></td>
</tr>
</tbody>
</table>

Please note:

These investment risk ratings are based on our interpretation of investment risk and are only meant as a guide. These levels of investment risk are not guaranteed and may change in the future.

The colours in this table may be different to those used online; however, the ratings and approach to investment risk remain the same.
# Fund risk warnings

There are risks associated with investing in funds, or types of funds. To help you understand these risks, we assign risk warnings to each of the funds in the Select fund range. We explain all of these risk warnings on the following pages. Please note that not all of these warnings apply to each fund and there is no direct relationship between the number of fund risk warnings and the investment risk rating for each fund.

<table>
<thead>
<tr>
<th>Risk warning code</th>
<th>Risk warning description</th>
</tr>
</thead>
</table>
| A                 | **Investment is not guaranteed:** The value of an investment is not guaranteed and can go down as well as up. You could get back less than you have paid in.  
**Specialist funds:** Some funds invest only in a specific or limited range of sectors and this will be set out in the fund’s aim. These funds may carry more risk than funds that can invest across a broader range or a variety of sectors.  
**Suspend trading:** Fund managers often have the ability, in certain circumstances, to suspend trading in their funds for as long as necessary. When this occurs, we will need to delay the ‘cashing in’ or switching of units in the relevant fund. You may not be able to access your money during this period.  
**Derivatives:** Derivatives are financial contracts whose value is based on the prices of other assets. Most funds can invest in derivatives for the purpose of managing the fund more efficiently or reducing risk. Some funds also use derivatives to increase potential returns, known as ‘speculation’. For those funds we apply an additional risk warning (see Risk F). |
<p>| B                 | <strong>Foreign Exchange Risk:</strong> When funds invest in overseas assets the value will go up and down in line with movements in exchange rates as well as the changes in value of the fund’s holdings. |
| C                 | <strong>Emerging Markets:</strong> Where a fund invests in emerging markets, its value is likely to move up and down by large amounts and more frequently than one that invests in developed markets. These markets may not be as strictly regulated and securities may be harder to buy and sell than those in more developed markets. These markets may also be politically unstable which can result in the fund carrying more risk. |
| D                 | <strong>Smaller Companies:</strong> Where a fund invests in the shares of smaller companies, its value is likely to move up and down by large amounts and more frequently than one that invests in larger company shares. The shares can also be more difficult to buy and sell, so smaller companies funds can carry more risk. |
| E                 | <strong>Fixed Interest:</strong> Where a fund invests in fixed interest securities, such as company, government, index-linked or convertible bonds, changes in interest rates or inflation can contribute to the value of the investment going up or down. For example, if interest rates rise, the value is likely to fall. |
| F                 | <strong>Derivatives:</strong> Derivatives are financial contracts whose value is based on the prices of other assets. The fund invests in derivatives as part of its investment strategy, over and above their use for managing the fund more efficiently. Under certain circumstances, derivatives can result in large movements in the value of the fund and increase the risk profile, compared to a fund that only invests in, for example, equities. The fund may also be exposed to the risk that the company issuing the derivative may not honour their obligations, which could lead to losses. |
| G                 | <strong>Cash/Money Market Funds:</strong> These are different to cash deposit accounts and their value can fall. Also, in a low interest rate environment the product or fund charges may be greater than the return, so you could get back less than you have paid in. |</p>
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<th>Risk warning code</th>
<th>Risk warning description</th>
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| **H** | **Property funds:** The fund invests substantially in property funds, property shares or direct property. You should bear in mind that  
- Properties are not always readily saleable and this can lead to times in which clients are unable to ‘cash in’ or switch part or all of their holding and you may not be able to access your money during this time  
- Property valuations are made by independent valuers, but are ultimately subjective and a matter of judgement  
- Property transaction costs are high due to legal costs, valuations and stamp duty, which will affect the fund’s returns. |
| **I** | **High Yield Bonds:** The fund invests in high yield (non-investment grade) bonds. Non-investment grade bonds carry a higher risk that the issuer may not be able to pay interest or return capital. In addition, economic conditions and interest rate movements will have a greater effect on their price. There may be times when these bonds are not easy to buy and sell. In exceptional circumstances, we may need to delay the ‘cashing in’ or switching of units in the fund and you may not be able to access your money during this period. |
| **J** | **Reinsured Funds:** Where a fund invests in an underlying fund operated by another insurance company through a reinsurance agreement, if the other insurance company were to become insolvent, you could lose some or all of the value of your investment in this fund. |
Understanding investment funds

You choose which funds you invest your money in. The fund manager uses this money to buy the assets that make up the fund's investments. Generally, each fund offered by us invests in one of four main types of investments which are described below.

Please note that although your money is invested in a fund, you do not own any of that fund's underlying assets. For example, you won't receive a dividend from shares in an equity fund or rental income from a property held by a property fund. These are reflected in the value of the fund itself.

Money market

The ‘money market’ is a mechanism for short-term borrowing and lending between organisations. Money market investments typically include what are described as ‘near-cash instruments’, such as certificates of deposit, floating rate notes and treasury bills. They are not to be confused with deposit accounts with banks or building societies.

Although less risky than other asset classes, there could be circumstances where these investments fall in value, for example, if an organisation defaults. Their value could also be eroded over time due to the effects of fund charges, product charges and inflation.

Property

Property investment usually means commercial property, such as offices and retail, leisure and industrial developments. It can also include residential property. As well as the potential increase in their value, property investments can also produce rental income. Property can be subject to heavy falls and sharp increases in value. It can also take more time to buy and sell property than investments in other types of investments.

Fixed interest

Fixed interest assets include government and corporate bonds. These are loans issued by the government or a company in the financial markets in order to boost their finances. Government and corporate bonds pay the holder of the bond a regular fixed interest and the full value of the bond upon maturity. Government bonds issued by the UK government are referred to as gilts.

If a government or a company defaults on the loan then the interest will not be paid. Gilts are regarded as less risky than corporate bonds as the UK government has a good credit rating. For this reason, it is believed to be in a sound enough financial position to be able to repay the money it has borrowed and honour its debt repayments.

Shares

Shares are also known as equities. Shareholders have a ‘share’ in a company's assets. Shares are bought and sold on stock markets and their value can go up and down depending on the fortunes of the company and stock markets in general. Companies may also pay a share of profits to shareholders, known as dividends. While there is more opportunity for potential gains with shares than some types of investments, there is also greater risk that they will fall in value.
Reinsured funds
Where funds are operated through a reinsurance agreement with another insurance company, this may enable lower charges and marginally better tax treatments.

However, in the event that the other insurance company were to become insolvent, any assets invested in those funds through a reinsurance agreement, would not be protected by the Financial Services Compensation Scheme (FSCS). This could mean you might get back less than the full value of those assets.

The potential protection by the FSCS for other types of investments in your account will vary according to the nature of the investments you choose. If you wish to know more about the possible extent of protection available, please see the Flexible Retirement Account Key features document or go to www.fscs.org.uk.

If you wish to know which funds are invested through a reinsurance agreement, please see the fund factsheets which are available through your online account. You can identify these funds by the risk warning J.

Finding the right balance
Some investors like to spread their investments across funds that invest in shares, fixed interest, commercial property and money market investments, as well as across different parts of the world. This helps to reduce the overall risk of their total investments and is known as diversification. It’s all about maintaining the right balance and similar to the expression ‘not putting all your eggs in one basket’. If you need help doing this, you should contact a financial adviser.

To make life easier for you, we offer some blended funds, these are funds that blend together different types of investments to create managed fund solutions. This means that these funds offer a range of assets in which they are invested, so are diversified.

Please remember that there are no guarantees with a balanced approach or any particular investment type.

How are funds managed?
Not only do funds invest in different types of investments, they are also managed in different ways. As well as blended funds there are three main categories of funds available on My Money – these are index funds (also known as passive funds), actively managed funds and funds of funds.

Index funds
The aim of an index fund is to copy the performance of the holdings of a particular index of a specific financial market, such as the FTSE 100 Index. It does this by aiming to invest in the companies of a particular market in such a way as to track the return of that market as closely as possible. This type of fund doesn’t aim to outperform the index it tracks, only to follow it. These are often referred to as ‘passive’ as there is no active management of the fund beyond tracking the index.

Actively managed funds
The fund manager actively buys and sells investments with the aim of achieving higher returns than the fund’s benchmark. This is a standard against which the performance of a fund can be measured and could be based on, for example, average annual return on investment performance over a set amount of time.

Fund of funds
A fund of funds invests in a number of different funds, rather than directly in shares, bonds or other securities. Funds of funds aim to provide the investor with greater diversification, enhanced returns, lowered risk or a combination of all three which could not be achieved through a single fund alone. This type of fund may invest in actively managed funds, index funds or both.
We understand that some people may find the investment solution provided does not match their attitude to investment risk or it invests in areas that they wouldn’t choose for themselves.

If you would like to choose your own investments, you can leave the default investment solution once we have invested the first contribution from your employer.

Your Flexible Retirement Account offers you the opportunity to choose from funds in the Select fund range. You also have a choice of different investments if the contributions made into your account are above a certain level. See page 21 for details.

**Select fund range**

Our Select fund range provides you with a wide and varied choice of investment options. This encompasses funds selected by Aviva and may also include funds selected by your employer, having taken professional advice.

Funds selected by Aviva are chosen by our dedicated Investment Governance Team. The analysts in the team monitor the funds they have chosen, to ensure the funds meet the standards required for inclusion in the Select fund range. The team will risk rate the Select fund range according to the Aviva risk ratings. The team may identify new funds to add to the range.

The fund range may change from time to time, and funds that are available now may not be available in the future. If you are invested in a fund that is closed or is changing significantly, we will write to you and inform you and let you know what options you have.

There are risks associated with investing in funds. The values of funds in the Select range are not guaranteed and can go down as well as up. You may get back less than the amount paid in.

You can view all of the funds and fund factsheets through your online account.
**Fund supermarket**

This offers you access to around 1,000 investment funds from a variety of fund management companies. There is a variety of investments to suit your risk appetite with different charges applying to each. Please note that they are not governed by us.

The Fund supermarket is available to you if the total contributions (including your employer’s) are at least £100 a month (or £1,000 a year), or if the value of your pension is at least £10,000.

There are risks associated with investing in funds. Please see each fund’s Key investor information document, available through your online account, for details of the risks that apply to it.

**Alternative investment option**

The Alternative investment option offers you the ability to invest directly in a number of different types of investments, such as stocks and shares listed on a recognised stock exchange. This means your account becomes a shareholder of that company and will receive any dividends (a share of the company’s profits paid out to its shareholders) paid. Please note that these investments are not governed by us.

The Alternative investment option is available if the total contributions (including your employer’s) are at least £100 a month (or £1,000 a year), or if the value of your pension is at least £10,000.

Please note that these investments are provided through our stockbroker partner. Some investments carry a greater level of risk than others, and may be subject to sudden and large falls in value; you could get back nothing at all. Also if you deal excessively, or your portfolio is relatively small, then the value of your account could be eroded and the costs disproportionate. You will incur additional charges; please see the Flexible Retirement Account Fees and charges brochure for more information.

We recommend you speak to a financial adviser if you are considering these types of investment. If you don’t have a financial adviser, you can find one at www.unbiased.co.uk.

**Flexible Retirement Account cash account**

All investments are bought and sold through this account. It is used to pay all money into and out of your Flexible Retirement Account, contributions will be paid into it and some charges will be deducted from it.

Please see the Flexible Retirement Account Fees and charges brochure for more information on the cash account.
We recommend that you review your investments regularly to ensure they still meet your needs. As time progresses you should also review your attitude to investment risk to see whether your investments are still appropriate.

You can change your funds as often as you need and it is easy to switch funds online. There is currently no charge for switching between funds but we may introduce one in the future in accordance with the Terms and conditions. Fund managers have the ability, in exceptional circumstances, to suspend trading in their funds for as long as necessary. When this occurs we will need to delay the ‘cashing in’ or switching of units in the relevant fund. As well as making it easy for you to switch funds, your online account also offers the opportunity to:

- See how your investments are performing.
- Buy, sell or change funds easily.
- Change your investment instructions for payments from your salary or Direct Debit.
- Buy and sell investments from the Alternative investment option range.
- Analyse your portfolio by using our Investment analysis section.

Please be aware that there may be transaction costs for the Alternative investment option. For more information please see the Flexible Retirement Account Fees and charges brochure.
Need some help?

You may wish to speak to your employer to check whether there is an advice service available to you or you may wish to contact your own financial adviser. If you don’t have a financial adviser you can find one at [www.unbiased.co.uk](http://www.unbiased.co.uk).

**More information**

If you are over 50, you can get free and impartial advice on your pension options from the government through Pension Wise. Visit their website at [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk).

**Contact details**

Please remember your employer will normally be your first point of contact for scheme details and contribution levels. Alternatively you can contact your Aviva Customer Services team who can support you with factual information about all aspects of the products and the My Money service.

**Call**

0345 604 9915
Monday to Friday between 8am and 5.30pm. Please note Aviva may record calls to improve service. Calls may be charged and these charges may vary; please speak to your network provider for more details.

**Email**

mymoney@aviva.com

**Write to**

Aviva, PO Box 2282, Salisbury, SP2 2HY

This information is based on Aviva’s understanding of current legislation, regulations, guidance and practice as at July 2018 and is not providing legal or financial advice.

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